

Minutes
IDAHO COUNCIL FOR PURCHASES FROM NONPROFIT
BUSINESSES THAT SERVE PEOPLE WITH DISABILITIES
(USE COUNCIL)

650 W. State Street, Room 150, Boise, ID

~~~

July 25, 2012

**Present:** Don Alveshere, Mark Little, Tracy Warren, Terry Fredrickson, Gordon Graff and Jacque Truax.

**Ad hoc Members Present:** Jerry Bodden and John Bodden.

Don welcomed members and members introduced themselves. We called Mike and Greg; Don informed them of attendees in the room.

**Overview of USE Council:** A copy of the current Executive Order was distributed to council members. Don gave an explanation of term dates (3 years) all being the same rather than being staggered. He stated they are tied to the Executive Order and therefore all end the same date as the Executive Order.

Don explained to council members (new) that the purpose of the USE Council (Idaho Council for Purchases from Severely Disabled People) was to promote the purchase by state agencies of goods and services produced by people with disabilities participating in non-profit community rehabilitation programs in Idaho. He stated that we meet to discuss issues and to make sure the intentions of the Executive Order are followed.

There was discussion about what services/products are offered.

- janitorial services across the state
- construction vests
- library bags
- wooden stakes (survey)
- transportation
- grounds maintenance, etc.

Services can be viewed by looking at the Ability Idaho web page.

Don stated that this council usually meets twice a year; June or July and again in November. Typically the November meeting is used to discuss the annual report and one other meeting during the year for updates and issues.

Discussion took place regarding the definition of what is meant by the term "disadvantaged people" as stated in the Idaho Statutes. What are the criteria for

a disadvantaged individual? It was concluded that we need to look into this and find the definition.

**Website:** Jerry stated that the website is Ability Idaho and the vendors are listed (Accses Idaho – the non-profit Community Rehabilitation Partners and Development Workshop), the categories and facilities are listed and have links. He stated the council tried a catalogue system several years ago but it was not utilized and was dropped.

Mark talked about a feedback form and thinks that our site should have one as well. He has something that he uses on his website (contractor and vendor forms) and he will send that information to Jerry to review and discuss with him. The feedback form was endorsed by others as well.

It was suggested to put a statement on the website that addressed speaking with a CRP relative to their capacity to produce something that is not listed on the webpage might be helpful. Mike O'Bleness said they would enhance the language on the website to encourage this.

#### **Determining Fair Market Value – Mark Little**

Mark handed out a packet which included a copy of the Code, the updated Executive Order and a diagram. He stated that Purchasing has two issues: the direct contract with the Use Council Member and then bidding by CRPs and Vendors (these are not the same)- stating both groups can compete for the state's business.

According to the Rules of the Division of Purchasing (number 46) the fair market value has to be no more than 25% above the fair market bid. The market price has to be determined by three entities that do business on the "for profit" side. In order to determine fair market value we go to "for profit" entities to get bids. Now those "for profits" are saying they don't want to provide a bid because we then give the business to the "not for profit" entities. We run the risk of running the "for profits" out of business, so we need to solve the issue of determining of fair market value. Mark stated we also need to look at the re-bidding process that is done each year as it is an expensive process and it needs to be addressed.

Mark spoke to the Accses Idaho group in May and challenged them to help him change the rule. He is waiting to hear from them. After he hears from the "not for profits", he will talk to the "for profits" as well explaining to them our purpose for this process. We need a rule change. The time frame for a rule change is short. Mark has contacted Oregon and Washington but has not had a response as to what process they use. Jerry hopes to have information in September for Mark. Mark will find out what the time frame for the rule change is and keep council members informed.

Terry stated he met with some for profits and legislators. He stated he see's three options that will make this go – the most viable options are:

- 1 – through legislative action to change rule
- 2 – each CRP to check with consulting firms for pricing
- 3 – change wording in the Governor's Executive Order to agree to wording in State Use Law to make applicable.

Mark stated it is the rule that creates the problem – but he can't arbitrarily change the rule. It's on the agency (Div. of Purchasing) to determine fair market value. Discussion took place among the council members. John suggested checking with Washington or Oregon. Jerry stated that there is a web site that has information on states that have State Use programs and there may be information there. Jerry will get that information and forward to Mark.

Tracy suggested that the Dept. of Labor has ways to determine fair market value and we could look at what they do. Mark stated there are ways to compute the costs of goods or services but when it comes to determining a percentage for overhead/profit that is where you run into issues. Gordon had to leave but he will ask research and analysis section of his department to see if they can provide information as well.

Mike mentioned a national organization of State Use called SUPRA –website is [www.supra.cc](http://www.supra.cc). He spoke with their organization in DC; they directed us to New Jersey for Use Law, stating they do a good job with State Use (Nils Richardson). Mark will contact them for how they determine fair market value. Mark is looking for an alternative that the private sector will buy off on.

### **Approval of Minutes:**

Jerry had an edit to the minutes. He stated that on page three, third paragraph from the bottom the last sentence where it states “change the reporting period from December 1 to November 30<sup>th</sup> for vendors”, this is not correct.. He stated “the reporting period was changed “from March 1<sup>st</sup> to February 28<sup>th</sup> the previous meeting or year, due to Access changing their fiscal year to coincide with the state year; so the reporting period went from July 1<sup>st</sup> to June 30<sup>th</sup> and that stayed the same. It's the November meeting where we are now giving the annual report and approving vendors.” The reporting period has not changed in the past two years. Jacques will change the minutes to reflect this change.”

Tracy had a couple questions as well stating that on page 3, last paragraph, it reads “CAN” and it should be “CNA” and on page 4, the second to last motion has “CAN” and it should be “CNA” there as well. There is another edit on page one – the Ability Idaho is “.com”, not “.org.” Jacques will change the minutes to reflect this change as well.

A Vote was taken to approve the minutes as amended; all in favor – none opposed.

Don clarified that everyone was clear on the next steps in achieving a fair market value. Terry will be working on a draft for alterations to the rules to bring forward to Mark. It was suggested that Mark and Terry connect with Jerry to do a conference call with the New Jersey person. Terry stated he would call Mark.

Don stated that Jacque is working on updating the By-Laws and will be sending those out to council members (an original and a proposed changes copy) for review at the November meeting. Tracy suggested that the By-Laws be posted on the Use Council web site – Mike stated there is a place on his web page as well (About Us) where they can be posted.

Mark suggested that the Council needs to find the definition of what disadvantaged means and that if it is not part of the legislative intent that we look at it getting pulled. Discussion took place. Jacque will look through minutes from a few years back to see what she can find and John stated he would look into this as well.

The Council set the date for the next meeting for November 27<sup>th</sup>, from 1 pm to 3:00 pm. Jacque will send out as calendar invitation to everyone.

Adjourned